



State Employee Benefits Committee
FY16 Planning
May 15, 2015



Funding/Plan Design Combinations

GENERAL FUND PLAN DESIGN COMBINATION EXAMPLES

IF: Additional General Fund Contribution toward premium

THEN: Necessary Plan Design Change Values

Examples:

\$0 toward premiums

\$60 million plan design changes remain

\$7 million toward premiums

\$45 million plan design changes remain

\$14 million toward premiums

\$30 million plan design changes remain

\$21 million toward premiums

\$15 million plan design changes remain

\$28 million toward premiums

\$0 million plan design changes remain

- **10% participating org charge would need to be adjusted accordingly**
- **5% participating org fee would remain in effect for all groups**

FY16 Plan Rates assuming \$47.1M General Fund Increase = to \$101.3M All Funds

		Total Monthly Rate	Funded State Share Rate	Employee/Pensioner Rate	Additional Increase over July 1, 2015	Total Increase Over FY15 Rates
First State Basic Plan						
Employee	540	\$645.74	\$619.88	\$25.86	\$1.72	\$3.86
Employee & Spouse	96	\$1,336.02	\$1,282.60	\$53.42	\$3.54	\$7.96
Employee & Child(ren)	121	\$981.60	\$942.34	\$39.26	\$2.60	\$5.86
Family	126	\$1,670.08	\$1,603.30	\$66.78	\$4.44	\$9.96
CDH Gold						
Employee	808	\$668.32	\$634.92	\$33.40	\$2.22	\$4.98
Employee & Spouse	231	\$1,385.74	\$1,316.48	\$69.26	\$4.60	\$10.32
Employee & Child(ren)	325	\$1,021.10	\$970.06	\$51.04	\$3.38	\$7.60
Family	319	\$1,760.46	\$1,672.44	\$88.02	\$5.84	\$13.12
Aetna HMO						
Employee	1,249	\$674.14	\$630.34	\$43.80	\$2.90	\$6.52
Employee & Spouse	423	\$1,421.36	\$1,328.96	\$92.40	\$6.14	\$13.78
Employee & Child(ren)	679	\$1,031.28	\$964.24	\$67.04	\$4.46	\$10.00
Family	802	\$1,773.54	\$1,658.28	\$115.26	\$7.64	\$17.18
Blue Care HMO						
Employee	5,240	\$674.68	\$630.86	\$43.82	\$2.88	\$6.52
Employee & Spouse	2,022	\$1,425.86	\$1,333.18	\$92.68	\$6.16	\$13.82
Employee & Child(ren)	3,335	\$1,032.32	\$965.22	\$67.10	\$4.46	\$10.00
Family	3,864	\$1,778.98	\$1,663.34	\$115.64	\$7.68	\$17.24
Comprehensive PPO						
Employee	9,271	\$737.22	\$639.54	\$97.68	\$6.50	\$14.58
Employee & Spouse	3,976	\$1,529.78	\$1,327.10	\$202.68	\$13.48	\$30.22
Employee & Child(ren)	4,438	\$1,136.16	\$985.64	\$150.52	\$10.00	\$22.44
Family	5,556	\$1,912.44	\$1,659.06	\$253.38	\$16.84	\$37.78
Port POS						
Employee	141	\$558.80	\$558.80	\$0.00	\$0.00	\$0.00
Employee & Spouse	37	\$1,384.22	\$1,384.22	\$0.00	\$0.00	\$0.00
Employee & Child(ren)	43	\$840.96	\$840.96	\$0.00	\$0.00	\$0.00
Family	47	\$1,397.98	\$1,397.98	\$0.00	\$0.00	\$0.00
Medicfill Rates with EGWP Offset Effective Jan 2016 for pensioners retired prior to July 1, 2012						
Subscriber	20,077	\$426.60	\$426.60	\$0.00	\$0.00	\$0.00
Subscriber no Rx	639	\$241.86	\$241.86	\$0.00	\$0.00	\$0.00
Medicfill Rates with EGWP Offset Effective Jan 2016 for pensioners retired after July 1, 2012						
Subscriber	879	\$426.60	\$405.28	\$21.32	\$3.24	\$3.24
Subscriber no Rx	24	\$241.86	\$229.78	\$12.08	\$1.84	\$1.84
Enrollment as of 12/31/14						

Plan Design Change Options – Prescription Plan

		Current Benefit	New Benefit	Savings
□ Prescription Copay Changes	Option 1	30 day supply: Generic = \$8.50, Preferred = \$20, NonPreferred = \$45	30 day supply: Generic = \$10, Preferred = \$25, NonPreferred = \$50; 90 day supplies are twice 30 day supply cost	\$2.6M
	Option 2	30 day supply: Generic = \$8.50, Preferred = \$20, NonPreferred = \$45	30 day supply: Generic = \$10, Preferred = \$25, NonPreferred = \$50; 90 day supplies are two and one-half times 30 day supply cost	\$4.7M
	Option 3	30 day supply: Generic = \$8.50, Preferred = \$20, NonPreferred = \$45	30 day supply: Generic = \$8, Preferred = \$28, NonPreferred = \$50; 90 day supplies are twice 30 day supply cost	\$2.9M
	Option 4	30 day supply: Generic = \$8.50, Preferred = \$20, NonPreferred = \$45	30 day supply: Generic = \$8, Preferred = \$28, NonPreferred = \$50; 90 day supplies are two and one-half 30 day supply cost	\$5.0M

Plan Design Change Options – Prescription Plan – Erectile Dysfunction Drug Coverage

		Current Benefit	New Benefit	Savings
□ Erectile Dysfunction Drugs	Option 1	6 pills per 30 days	4 pills per 30 days	\$0.9M
	Option 2	6 pills per 30 days	0 pills per 30 days – Unless Medically Necessary for conditions other than ED. Members could obtain medication at discounted prices using Express Scripts card - \$33 to \$41 per pill average cost	\$2.7M

Other State Coverage:

- 7 States responded to inquiry on ED Coverage
 - 3 offer no coverage
 - PA
 - Utah
 - Oregon
 - 3 offer coverage
 - Maine – 6 for 30 days at \$30 or \$50
 - Florida – 8 for 30 at \$50
 - Michigan – 12 for 30 at \$30 or \$60
 - 1 – Oklahoma offers for medical necessity only
- ESI Government Clients – 9% exclude

Plan Design Change Options – Medical Plan Copays – PCP and Specialist

			Current Benefit	New Benefit	Savings
□	Primary Care Physician Visit Copay	Option 1 – \$5 increase	\$10 for HMO, \$15 for PPO	\$15 for HMO \$20 for PPO	\$2.4M
		Option 2 – \$10 increase	\$10 for HMO, \$15 for PPO	\$20 for HMO \$25 for PPO	\$4.8M
□	Specialist Visit Copay	Option 1 - \$5 increase	\$20 for HMO, \$25 for PPO	\$25 for HMO \$30 for PPO	\$0.9M
		Option 2 – \$10 increase	\$20 for HMO, \$25 for PPO	\$30 for HMO \$35 for PPO	\$1.8M

Plan Design Change Options – Medical Plan Copays – Hospital Inpatient, Emergency Room and Outpatient Surgery Copays

			Current Benefit	New Benefit	Savings
□	Inpatient Room & Board Copay	Option 1 – \$50 per day increase with 3 day max	\$100 per day, \$200 Max for HMO and PPO	\$150 per day, \$450 Max for HMO and PPO	\$2.7M
		Option 2 – \$50 per day increase with 2 day max	\$100 per day, \$200 Max for HMO and PPO	\$150 per day, \$300 Max for HMO and PPO	\$1.5M
		Option 2 – \$0 per day increase with 3 day max	\$100 per day, \$200 Max for HMO and PPO	\$100 per day, \$300 Max for HMO and PPO	\$0.5M
		Option 3 – \$0 per day increase with 4 day max	\$100 per day, \$200 Max for HMO and PPO	\$100 per day, \$400 Max for HMO and PPO	\$0.7M
□	Emergency Room Copay		\$150 for HMO and PPO	\$200 for HMO and PPO	\$0.6M
□	Outpatient Surgery ¹		\$30 / \$75 for HMO, 100% covered for PPO	\$50 / \$100 for HMO and PPO	\$0.5M (\$0.1 for HMO and \$0.4 for PPO)

1 Ambulatory Surgery/Outpatient Hospital

Plan Design Change Options – Lab/Radiology Copays

			Current Benefit	New Benefit	Savings
□	Lab Tests Copay ²	Option 1 – Increase to Hospital based only	\$5 / \$5	\$5 / \$30	\$1.0M
		Option 2 – Increase to both Clinic and Hospital based	\$5 / \$5	\$10 / \$30	\$1.5M
		Option 3 - \$5 Increase to both Clinic and Hospital based	\$5/\$5	\$10/\$10	\$0.7M
□	X-Rays Copay ²	Option 1 – Increase to Hospital Based Only	\$15 / \$15	\$15 / \$75	\$4.2M
			\$25 / \$15	\$25 / \$100	
	Advanced Imaging Copay ²	Option 2 – Increase to both Clinic and Hospital Based	\$15 / \$15	\$20/\$20	\$0.9M
			\$25 / \$15	\$35 / \$35	
□	2 Freestanding Facility/Hospital Based				

Recommendation to Solve \$60.1M Shortfall

• \$21M General Fund addition to premiums equals \$45.1M all funds -	\$45.1M
• Apply 5% Participating Org Fee to all participating groups -	\$4.0M
• Adopt Option 3 for Prescription Program Changes -	\$2.9M
• Adopt Option 2 for Erectile Dysfunction Coverage –	\$2.7M
• Adopt Option 1 for Primary Care Physician Copay -	\$2.4M
• Adopt Option 1 for Specialist Copay -	\$0.9M
• Adopt Option 3 for Lab Copay -	\$0.7M
• Adopt Option 2 for Radiology Copay -	\$0.9M
• Adopt Outpatient Surgery Copay Change -	\$0.5M
Total	\$60.1M